

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6955**

**BILL NUMBER:** HB 1125

**NOTE PREPARED:** Dec 30, 2010

**BILL AMENDED:**

**SUBJECT:** Motorized Bicycle Financial Responsibility.

**FIRST AUTHOR:** Rep. Fry C

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill prohibits the operation of a motorized bicycle unless financial responsibility is in effect with respect to the motorized bicycle. The bill provides that a person who knowingly operates or permits the operation of a motorized bicycle on a public highway in Indiana commits a: (1) Class A infraction unless financial responsibility is in effect with respect to the motorized bicycle; and (2) Class C misdemeanor if the person has a prior unrelated conviction or judgment for the failure to maintain financial responsibility on a motor vehicle.

The bill also requires the Bureau of Motor Vehicles to assess points against a person who operates a motorized bicycle without financial responsibility being in effect with respect to the motorized bicycle.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill may result in more sales of insurance policies to individuals that wish to operate motorized bicycles. Currently, motorized bicycles are not required to register with the Bureau of Motor Vehicles (BMV). The actual number of motorized bicycles in the state is unknown. To the extent this bill results in additional sales of insurance policies, state revenue may increase from taxes on insurance premiums. Actual increases in state revenue from insurance premiums are indeterminable. Revenue received from the insurance premium tax is distributed to the General Fund.

This bill requires a policy of financial responsibility be in effect as a condition of operating a motorized bicycle. Failure to do so constitutes a Class A infraction, but constitutes a Class C misdemeanor if the person

has a prior unrelated conviction or judgement for the failure to maintain financial responsibility on a motor vehicle.

*Penalty Provision:* The maximum judgment for a Class A infraction is \$10,000. These fines would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Additionally, if this bill results in additional court cases where fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C misdemeanor is \$500. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class C misdemeanor is punishable by up to 60 days in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

**State Agencies Affected:** BMV.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Danielle Roessing, BMV.

**Fiscal Analyst:** Bill Brumbach, 232-9559.